GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

STARRED QUESTION NO:339
ANSWERED ON:21.12.1999
UREA SCAM
MADAN PRASAD JAISWAL;RATTAN LAL KATARIA

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Government have recovered full amount out of 133 crore urea scam of 1995;

(b) if so, the details thereof;

(c) if not, the reasons therefor; and

(d) the efforts being made by the Government to recover the full amount ?

Answer

THE MINISTER OF CHEMICALS AND FERTILIZERS

(SHRI SURESH P. PRABHU)

(a) to (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 339 TO BE ANSWERED ON 21.12.1999

(a) to (c): National Fertilizers Limited (NFL) had made advance payment of Rs. 133 crores (US$ 37.62 million) to Karsan Limited, Ankara (Turkey) for supply of urea in 1995. On failure of Karsan Ltd to supply urea, NFL had moved the International Court of Arbitration (ICA) in accordance with the Arbitration clause contained in the contract with the supplier. The ICA has awarded nearly US$ 41 million in favour of National Fertilizers Limited for recovery against Karsan Ltd. The Arbitral Award has not been enforced yet for recovery because it is under challenge by Karsan Ltd. in the District Court at Amsterdam.

(d): NFL has consulted Solicitor firms in different countries where assets have been identified in the name of individual Executives and others of Karsan Ltd. NFL will take further action on the basis of the legal opinions received for recovery of the monies against identified assets. However, this will depend on the outcome of the case pending in the District Court at Amsterdam. The Government is monitoring the efforts and extending assistance wherever possible.